



“Mayur Uniquoters Limited  
Q2 FY2022 Earnings Conference Call”

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**ANALYST:** **MR. ANUBHAV RAWAT - MONARCH NETWORK CAPITAL LIMITED**

**MANAGEMENT:** **MR. SURESH KUMAR PODDAR – CHAIRMAN & MANAGING DIRECTOR - MAYUR UNIQUOTERS LIMITED**

**MR. VINOD KUMAR SHARMA – CHIEF FINANCIAL OFFICER - MAYUR UNIQUOTERS LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to the Q2 FY2022 earnings Conference Call of Mayur Uniquoters hosted by Monarch Network Capital Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “\*” then “0” on your touchtone telephone. Please note that this conference is being recorded. I now hand the conference over to Mr. Anubhav Rawat. Thank you and over to you Sir!

**Anubhav Rawat:** Thank you Jacob. Good afternoon, everyone. I hope you and all your loved ones are safe and healthy. On behalf of Monarch Network Capital, it is our pleasure to host the senior management team of Mayur Uniquoters. Today, we have with us Mr. Suresh Kumar Poddar - Chairman and Managing Director of the company and Mr. Vinod Kumar Sharma - CFO of the company. I would now request the management to provide their initial comments about the results. Over to you Sir!

**Suresh Kumar Poddar:** Thank you Anubhav. Good afternoon, dear investors and analysts. Ladies, and gentlemen, it is a great pleasure to be here to share with you the performance of Mayur. Thanks for giving us your precious time to join Mayur Uniquoters Limited Q2 FY2022 Conference Call. Mayur Uniquoters Limited being a market leader in the synthetic leather industry and an organized player has been able to leverage the emerging opportunities and deliver exemplary performance in past years, both in national and international business markets. The markets are fully opened in last quarter, but the automakers especially are now facing the production problems due to shortage of semiconductor chips in international market and because of this, our OE sales is also impacted in the quarter. However, we are hopeful to regain the OE sales and demand back from the market after four months to five months in coming months.

Now, I would like to start with financial highlights for Q2 FY2022 under review. We will reply to your queries after my review on this financial result. The company has achieved revenue from operation on a standalone basis amounting to Rs.188 Crores, PBT 33 Crores, PAT 25 Crores during the quarter which is increased by 74% and 73% respectively over the corresponding quarter.

The revenue from operations on consolidated basis is 196 Crores, PBT is 39 Crores and PAT 30 Crores and higher by 55%, 48% and 48% respectively. Our endeavor is to make the company a preferred supplier for the leading OEMs especially in US and European regions. I am pleased to share that your company has already approved by Mercedes Benz, South Africa and Volkswagen India carmaker and supply also started the plants for

their new model. The product approval from BMW is also obtained and supply is expected from April 2022.

Regarding project, PU plant project activities are completed except some civil and site development works required at the site. The supply orders and dispatches are also coming in small lots and expected to increase gradually in coming quarters. While pursuing our business interest, Mayur Uniquoters has also been endeavoring to fulfill our responses to society. Under the corporate social response to programs the company has done five to six phases of vaccination for the nearby villages and its staff members of both the plants besides contribution to foods and oxygen green zones, donated safety kits and oxygen concentrators to the hospitals, police stations, industries, associations all.

The company has also adopted many happy schools for education of children. The company has worked on education especially for the girls and underprivileged child education. Various healthcare initiatives especially child skill development, water for all, sanitization at school area, distribution of books, bags, clothes etc., most importantly family planning and family welfare schemes. The State Government has recognized several occasions at various initiatives on the various platforms.

I am thankful to all the investors for their valuable time to those who became the part of this conference call and with this positive note, I would like to conclude and request you all to open the forum for questions and before that I also request you all to kindly note that due to time constraint, we need to end this call within 45 minutes and therefore request you to kindly avoid the repeat questions during the call and volume data will not be discussed, so please avoid volume-related queries. Thank you.

**Moderator:** Thank you. We will now begin the question-and-answer session. The first question is from the line of Nirali Gopani from Unique Asset Management LLP. Please go ahead.

**Nirali Gopani:** Thank you for the opportunity and congratulations on a very strong topline growth. My question is on the gross margin side, in our Q1 call, you have mentioned that the raw material prices have started falling and we have also increased our prices wherever required and we were of the view that gross margins should start recovering from Q2 but in fact the gross margins have declined at least by 250 bits Q-o-Q, so just wanted your comments on that same?

**Suresh Kumar Poddar:** Since the last quarter the prices rather has been increased very drastically. PVC resin prices in last one quarter has increased by more than 35% to 40% as well as plastic fiber prices has also increased, other ingredients has also increased and in the previous quarter, the prices of yarn I mean yarn from which we make fabric, that was also not increasing

but in this quarter, it has not from very beginning and others yarn prices has also increased, so now the prices are in the peak because mainly of this shipping cost which has gone up by four times and other things whatever we are selling to USA, the cost has increased like hell from Rs. 18 meter to Rs. 65 a meter but now it is going down so I think the situation should be better in this coming next quarter so far as margin is concerned. Secondly, there is one more problem because these automotive industries are increasing the prices on quarterly basis, till now they have given us the increase of January, February, March, so this April to September, increase which has to come very soon that has not been included in this balance sheet because that takes at least three months to four months' time to start but they gave it from the backward, so that you will have a better credit notes in the next quarter. That is also one of the reasons that you are asking for.

**Nirali Gopani:** Okay, so what you are saying that will receive the increment from April to September also in the coming quarters?

**Suresh Kumar Poddar:** Yes.

**Nirali Gopani:** Okay and Sir, secondly on the PVC line is the seventh line has been commissioned?

**Suresh Kumar Poddar:** Yes, already started.

**Nirali Gopani:** Okay, so if you take the share, what was the utilization level in this quarter?

**Suresh Kumar Poddar:** Utilization in this quarter after seventh line, our capacity is approximate 3.5 million minimum 3.5 million means 35 lakhs that means 74% to 80% you can say.

**Nirali Gopani:** Sir, lastly on you said you were looking to appoint some CEO, so any update on that if you would want to share?

**Suresh Kumar Poddar:** We have appointed COO. Now we are looking at CTO also, but we are going very gradually, I do not want to have so many big people at a time. We have appointed CFO, there is senior person, we have appointed good HR person, we have appointed CTO, now I will wait for another three months to six months and then we will see it for this CEO.

**Nirali Gopani:** That is it from my side. Thank you.

**Moderator:** Thank you. The next question is from the line of Priyadarshi Srivastava from Monarch Network Capital. Please go ahead.

**Priyadarshi Srivastava:** Good afternoon, Sir, congratulations on good set of numbers. I just wanted to know what is the PU revenue for this quarter and who are the current customer in the PU?

**Suresh Kumar Poddar:** Most of the customers are same. No big difference because those who are selling PVC, they are selling PU also. Gwalior sells is 8 Crores in this quarter.

**Priyadarshi Srivastava:** What will be the maximum revenue potential and when we expect to breakeven into that side?

**Suresh Kumar Poddar:** We can get 100 Crores revenue from suggesting capacity and I think because of this COVID problem, the things were moving very slowly especially for PU because we started just at the starting of COVID and then all my Chinese technician went away and that is why also we had some restrictions but now we have got a visa for Japanese guy who is this specializing in PU and he is a very experienced person. He is coming next week here and will stay with us. So far after that we will have no constraint of developing any quality, any type of quality which is being used in all over world. So, that is one thing and then because COVID, people has imported a lot of material from China, so they have to clear it, so that is why also it is taking sometime but I think in next one year time we should be able to at least sell 50 Crores to 60 Crores because within next two years we may have to go for another line because market is improving, Indian market is also improving and I see very optimistic in the near future because of this Chinese problem and then we have gone for antidumping duty also for PU, so that PU is imported less, so is a good market, only thing this quarter would have been at least 220 Crores - 230 Crores because of this chips problem, the automotive industries are facing constraint of productions, we do not have even car showrooms but the things are improving last two three years we had a problem with USA supplies because of chips but now this month they have started improving and I hope within two, three months this problem will be sorted out. There is no dearth of requirement. There is huge requirement backlog, most of the electronic industries are suffering because of this semiconductor problem but this will be sorted out in the next one, two, three months' time.

**Priyadarshi Srivastava:** That was very helpful Sir. Thank you and wish you all the best.

**Moderator:** Thank you. The next question is from the line of Vinay Ambekar, an Individual Investor. Please go ahead.

**Vinay Ambekar:** Good afternoon, Sir, can you tell us what is the operating level last that is still coming from the PU division and when you think you can become EBITDA positive there, at what level of sale?

**Suresh Kumar Poddar:** You are talking about?

**Vinay Ambekar:** Gwalior PU?

**Suresh Kumar Poddar:** Gwalior PU. Wait a minute in the meantime take another question.

**Vinay Ambekar:** In the PVC division because majority of the sales have come from there, what is the contribution between auto, footwear and furnishing at turnover level?

**Suresh Kumar Poddar:** In this quarter, footwear sale was about 32%, furnishing was not much, mainly we are doing automotive, automotive was 57%-58% is automotive, this includes domestic OEM, export OEM and replacement market and rest is... sorry?

**Vinay Ambekar:** 31 Crores you said is domestic OEM, right Sir?

**Suresh Kumar Poddar:** Yes, 31% domestic OEM, no I am talking percent, all percent.

**Vinay Ambekar:** This is percentage of total sales or percentage of PVC sales?

**Suresh Kumar Poddar:** Total sales.

**Vinay Ambekar:** Okay and 9% on export OEM?

**Suresh Kumar Poddar:** Yes, export OEM is 10% and replacement market is about 18%. So, 31+18+10, you can say 59% is automotive.

**Vinay Ambekar:** Footwear, how do you see the domestic market progressing with the unlocking and COVID going away?

**Suresh Kumar Poddar:** At the time of COVID, of course there was a problem but now it is sorting out and now this 15 days will be little bit downfall because all the labours go away 15 days before Diwali and they come after Diwali, so now the market from next week, it will pickup and I think it will be good. I do not see any problem in the market because everybody is only problem little bit is price. The way raw material prices are increasing, we are not able to increase their sales price but anyhow the demand is good, everybody beat for the price reduction but it is increasing everywhere, you go for any industry, the prices are increasing but still people are buying, so I do not see any problem rather I think whatever happened in this quarter in automotive industry is coming quarter will be much, much better, otherwise this chips problem would have not been at least you would have done 30 Crores more in this quarter.

**Vinay Ambekar:** Okay, within PVC are the operating margins better for auto versus footwear, anything like that?

**Suresh Kumar Poddar:** No, like auto, there are three segments in auto, one is replacement market, one is auto OEM domestic, one is export OEM, now the best margin, if you calculate on all these three, export OEM is number one then footwear is number two and then number three is auto OEM and replacement market.

**Vinay Ambekar:** So, Sir basically then if our exports increase and our footwear sales increase, our margins are likely to increase?

**Suresh Kumar Poddar:** The main market is this only, automotive and footwear, so auto OEM is fixed, every quarter whatever increase or decrease we have to take it, now this quarter it was little less because the previous increase has not come, this will come in the next quarter, so then it will be better in the next quarter, so for footwear is concerned, it is same what it is used to be.

**Vinay Ambekar:** Okay, the issue that last quarter we were expecting that RM prices will reduce but like you right said, it has not?

**Suresh Kumar Poddar:** No RM prices has not reduced rather RM prices has increased, now we think the way, the business problem is the shortage of the material, there is no supply of PVC resin, very less supply although I am well stocked more than three four months, so for supply is concerned, I have no problem but the prices are increasing and availability is not there, that is the biggest problem but anyway it is better for us to get a better price and there is shortage the chances of increasing the prices although we have increased our prices.

**Vinay Ambekar:** Sir, one thing you have been rightly focusing on is also about our margin which used to be between 10% and 12% few years back and in the last year or so, we have crossed 20% and we have reached as much as fixed 27% in the March quarter and December quarter, was there anything exceptional in that six months periods duration where we will be reduce sustained margin because now it has come down to say around 20% to 25%?

**Suresh Kumar Poddar:** I will tell you, it is very unpredictable. Nobody has thought, in my life of 55 years working in this industry, I have never seen the increment like this, what has happened in last one year, nobody could have imagined that this will happen and this has happened only because of the shipping companies problem and every product supplier as well as raw material supplier then after that they sell that raw material supplier is also buying, some shipping companies are involved, so this all drama is because of shipping industries and then automotive industry problem is because of chips supply because the demand of

computer and electronic items has increased a lot during this COVID time, so that is why they are facing problem but this problem is temporary problem, may be next two months to three months' time, it has started improving, it will improve further because one or two companies even Tata's are trying to make a chips because main thing is there is a huge, huge investment in this but anyway this will be sorted out because more than our automotive industry has a big problem, but it is sorting out like in USA also three weeks back the situation was very bad, but in last two weeks to three weeks, the demand has increased and then they close their certain plants because of shortage of chips not because of the requirement and even in America people do not have any car in the showroom just for displaying, they do not have a car.

**Vinay Ambekar:** Yes Sir, so basically, I think demand is very strong once shipping is sorted out?

**Suresh Kumar Poddar:** Yes, there is one year waiting period. This is the condition because people are spending money. Spending is no issue. Then India has got a much better chance because you know this, what is happening in China, so people are hiring from India and further PVC, our PU level cloth has been introduced as a replacement of Chinese leather, so gradually genuine leather will go down and this PU will increase in automotive industry. Of course, it will take time, but it is happening, the PU cost is more than \$20. We are working with that and one of the American companies we have got 90% approval may be in next two months to three months will be able to get up, so that once we start that because there is less competition and hardly two companies are making in the whole world, we will be the third.

**Vinay Ambekar:** I just wanted that data point above the last PU division if Sir has got it, or may be some time later also? Thank you.

**Moderator:** Thank you. The next question is from the line of Pritesh Chheda from Lucky Investment Managers. Please go ahead.

**Pritesh Chheda:** I have question on the Volkswagen and the Mercedes order ramp up. What is the progress there because both of them are fairly higher value per liter order, what is the progress there, second, I was doing rough map, so it is quite happening that the pace has which the RM has increased is not the pace that which the pricing for the finished goods has moved on, so here what happens do we have to absorb those gross margins versus or reduction or we tend to get price hikes eventually for these types of RM increases, if you could make common there and I have one more question and I am confused on a PU plants, on one side you are saying that a Korean has supposed to come, there is some balancing equipments and on the other side you are saying that you sold PU worth 8 Crores in the quarter, so I am just unable to understand in which format has a plant started?



**Suresh Kumar Poddar:** There are hardly two or three players to make and that also very small quantity. This PU I have been working since 2003, so because I see the future is PU, today we are PVC in automotive, we are selling say \$7-\$8 or \$8.5 here we start with \$20 may be even \$24 in some cases because it is replacing genuine leather that is why spot is good, but everything takes time then the biggest problem our was that we started in COVID.

**Pritesh Chheda:** So, the plants have started Sir?

**Suresh Kumar Poddar:** Plant has started long back four and a half years back.

**Pritesh Chheda:** So, then what is this balancing equipment needed at the PU plant and when you need a foreigner to help you out with the plant, so what is that to do with?

**Suresh Kumar Poddar:** Listen to me, do you understand Hindi?

**Pritesh Chheda:** When in India then Hindi is essential to understand?

**Suresh Kumar Poddar:** Have you heard the proverb that, till today that question is still there that first the chicken was first know or the egg was seen first. Now, the machine can wait for the customer, but customer cannot wait for the machine. So, if you bring in any new product in that you need minimum of two three years. Now, today suppose you are buying something from particular customer and the new supplier has come and wanted to supply, he will not buy 100% from you from next day, he will first test your material, set it for some time two, three, four, five months when they are satisfied then they will start. So, this is the process and once it is started because one good thing is there wherever we have supplied whichever customer he is repeatedly buying from us and certain problems because of bad luck you can say, we started with this when COVID has started. So, all the dealers who were importing from China they have huge stocks they have to clear the stocks but now I am seeing the things are moving, new customers are coming even in some cases our prices are 20% higher and now to compete with China, we have started manufacturing the backing cloth and then in the second stage we are working for PU resin manufacturing also so that in the price wise you can compete and then we have gone for anti-dumping duties also, we had two hearings we want to put anti-dumping duty on PU leather cloth if that will happen that will also help. Because in India how the people are under invoicing and today because government is also very strict after China, they want to support Indian industry. This will happen this is the matter of time because I travel whole world, I know the market what is happening where. This is bound to come. Nobody can stop it the only thing we should have a capability to produce the product. So, Mayur advantage is always that we focus on R&D. Now this man from Taiwan which I am getting is the best in Asia and he has more than 30 years' experience in this I am paying from my losses, people will say if you are not making profit

why you are doing, I am doing it for future. Industry is always for future. You invest always in future not in present only. So, I am not bothered at all.

**Pritesh Chheda:** Okay, in the Volkswagen and the Mercedes order ramp up?

**Suresh Kumar Poddar:** We are getting the orders in the run but what is the problem is that of the chips. Mercedes has given us requirement of 40000 metres per month but now they are buying not more than 15000 to 20000 because of this chips problem. Even month before last they have bought 5000 then from last month they have again started improving. Everybody is sailing in the same boat and now what they are doing is another problem. You have a chips problem you would like to produce those cars who have got the most profit and expensive car the other thing is that PVC level cloth is used for medium class or lower class of car not very high class. So that is also affecting because whatever chips they are getting they are using wherever they have best margin. But it is a temporary problem in next three months it should improve in USA it has improved a lot from last two three weeks we are coming almost 80% to the original sales.

**Pritesh Chheda:** Okay, and on the gross margin question the patent which we have obviously got price increase is less versus the raw material. So, how much lag do you think it takes for you to get the pricing from your customer or you have to adjust whatever 200 basis points, 300 basis point loss of gross margin and eventually over time it settles down?

**Suresh Kumar Poddar:** One thing you tell me, if you purchase anything price hiked then anyone will give the price straight forward increase will not be given, they will try their best not to increase or they pay the less price then whatever is asked for. But it goes with the time like some times the prices were reducing that time also we did not reduce the price those particular quarter we got some benefit. Now, here the biggest problem is all the suppliers are multinational suppliers, soft serial end plasticizer or yarns whenever they increase the price they increase from the next day. Now, PVC you say or first you will say from today my price is this even if you have given the advance money or advance order does not matter. But we cannot go to the customer and say that from tomorrow I will not give you product. So, can say some it requires 15 days, 20 days, 25 days to be effective the price increases this is something it has come to the peak it should start coming down in my opinion.

**Pritesh Chheda:** Which means you are thinking that the price increase from customer is difficult to get by what you think that the material price will come down and automatically margin should come back because you had gained also in times where raw material prices were lower and you did not pass on, it is more natural process which will happen?

**Suresh Kumar Poddar:** Yes. This will happen and this has not happened in the past also 2%, 3%, 4% increase will be there and in that there will not be an affect. 100% price has increase PVC resin which we were buying for Rs.90 now it is Rs.189 to Rs.190, plasticizers we used to have Rs.80 which is now Rs.165.

**Pritesh Chheda:** You were saying end of the year credit will be issued what was that?

**Suresh Kumar Poddar:** What is that?

**Pritesh Chheda:** You said that you will get a credit note from the customer at the end of the year, what is that?

**Suresh Kumar Poddar:** Yes, the automotive giving the increment after the end of each quarter like January, February, March quarter increment they have given, we raised debit note that reflected in balance sheet. April, May, June what we have to get that they have not settled till now, they are doing maybe in next two three weeks it will be settled. So, it will show in the next quarter, the profit from this quarter is reduced for which the credit note is not got which was supposed to get. The problem is that these all multinational companies like Japanese company they will decide here and then that goes to Japan then they will from there, so it takes at least three four months minimum.

**Pritesh Chheda:** So, in your contract PVC prices have been mentioned that the price of PVC was quoted and on the supply date the PVC rates are, and you have to give the credit note.

**Suresh Kumar Poddar:** Yes, all that comparison is to be given in the contract, we have to give the copy of the bill they will ask that April, May, June they will settle so they will ask for April, May, June price then they will take average of that and accordingly whatever was the basic price and whatever increase in that particular item that increase they will give or if there is any decrease they will ask for decrease also.

**Pritesh Chheda:** I have one more question. Next year as you are heading towards the future quarters you have auto tale winds because of this chip shortage easing out when your stocks then Mercedes order ramp up and footwear was not doing so well until now for the last one and half two years do you see even if footwear starts doing well you should be able to record 100% utilization of capacity next year on your PVC?

**Suresh Kumar Poddar:** Next year 2022 – 2023 I cannot tell but from second half of 2022 – 2023 if should be at full capacity.

**Pritesh Chheda:** But are seeing traction in footwear also?

**Suresh Kumar Poddar:** Yes, there is lot of problem with footwear now automotive is running so well in the last three months the problem has started otherwise automotive was doing very good.

**Pritesh Chheda:** Okay, now footwear should also do well?

**Suresh Kumar Poddar:** In footwear those all footwear manufacture they supply to wholesaler then wholesaler supply to retailer now everybody has got stocks and when you supply to retailer you have MRP price, now suppose today they are selling in X price MRP is Rs.300 for a sandal if next is Rs.350 or Rs.330 they have to think twice thrice. We are rather getting prices but they are suffering much more this footwear manufacturer because every now and then they cannot increase MRP can they increase MRP every week or every fortnight people will not buy. Suppose today your price is X then to increase next price nearly there should be a gap of one, one and half or two months they also will suffer with the loss, but one thing is their market is alive there is demand in the market.

**Pritesh Chheda:** It is better is demand versus what it was in last one and half year at least since better demand and growing demand is what you think?

**Suresh Kumar Poddar:** Sorry?

**Pritesh Chheda:** Versus last one and half two years at least it is a much better in the market and a better demand in footwear now?

**Suresh Kumar Poddar:** No, this one and a half two years is definitely best for awaiting and especially because when the shops are not open people are not moving out you an even order the car but footwear you have to go to the shop see it get it fitted then only you will buy it so, that has more affected. You cannot order footwear by Amazon or anything people are giving that type of order but maybe that 5% 7% not more than that. So, footwear you have to go to the shop you have to see 100s of design then you select out of that. Now that it has improved a lot and is happening and these ten fifteen days the market is down and after 15<sup>th</sup> of this month it will improve still better.

**Pritesh Chheda:** Thank you very much. Season's greetings and all the best. Thank you.

**Moderator:** Thank you. The next question is from the line of Sabyasachi Mukherjee from Centrum PMS. Please go ahead.

**Sabyasachi Mukherjee:** Thanks for the opportunity. First question you mentioned that you have now a total capacity of 3.5 million meters per month and you are operating around 74%, 75% capacity

utilization and in the last participant question you mentioned that you would be reaching somewhere around 100% in somewhere in H2 FY2023?

**Suresh Kumar Poddar:** Yes, 2022-2023, second half.

**Sabyasachi Mukherjee:** Second thing on the margins I just wanted to understand the margin outlook for the second half of this year and next fiscal year?

**Suresh Kumar Poddar:** Look Sir, I was getting 10% 12% margin 7, 8 years back then also you would have the same question that can you maintain this level. So, the thing is that this is an ongoing process company has to improve in all the aspects, you have to have a better management, you have to have a better manufacturing capacity, you have to have good R&D, you have to have capability of making a new product. Why have we spent Rs.125 Crores on PU because I know, and you will see what will happen in next two years' time because the people moving from leather to PU and the price, I told you it is about \$20, \$25. So far margin is concerned now who has thought that this kind of increment will be there we can only say that Mayur will keep on having manufacturing new product, technical product, which will give better returns and we will have a good management, good machinery, good people so that the cost is reduced as much as possible. So far as raw material is concerned, I can tell you in PVC leather cloth in India, the way our buying is there is the cheapest. What I am trying to say we will definitely try to keep now if I tell you that I will be trying to get 30% margin if that has not happened for any reason you will say that Poddar Sir you told that 30% margin will be there that is why I have kept less purposely but honestly our team everybody try our best because today's situation is very fluid situation, I can tell one thing very clearly that the market outlook is good, the future of industry is very good rather very, very good. So, there is no problem for selling. The margin it depends on the market we are doing our best, today also you think why Mayur, you tell me out of 1000 company how many companies are making this kind of profit. It is not easy to come to this kind of profit, you forget about your finance companies and insurance company or all these companies but in manufacturing either you have a monopoly worldwide then only you get a very good margin even if you calculate and see what is the margin in leather cloth industry, it is huge, huge, huge difference because of our policy, because of our consistency, in developing new product and invest in new technology that is our recipe that I will keep on doing I will not stop.

**Sabyasachi Mukherjee:** Okay, last question on the mix between automotive and footwear we are close to somewhere around 55% to 60% in automotive and rest 30%, 35% in footwear. So, going ahead probably next year or two three years down the line where do you see this mix changing and also contributions from export OEM in the automotive sales?

**Suresh Kumar Poddar:** Export OEM we are doing it is increasing because of this chips problem it was little less this quarter, but it is increasing because Mercedes, they have promised us 40000 yards per month.

**Moderator:** Thank you. The next question is from the line of Chintan Sheth from Samiksha Capital. Please go ahead.

**Chintan Sheth:** Thank you for the opportunity and congratulations for the very good set of numbers. If I look at from the debt zero that 31% domestic OEM sales and the 32% footwear it seems that we have grown very stupendously in the domestic market while export was muted given the chips shortage which you explained earlier. So, going forward do you see this domestic performance to sustain in terms of the export earlier we used to do Rs.50 Crores quarterly run rate revenue generating footwear earlier?

**Suresh Kumar Poddar:** Voice is not clear. Please tell me in short.

**Chintan Sheth:** Two three years back when foot wears we had the run rate of Rs.50 Crores this quarter it seems we have reached to that level. Do we think to continue footwears at Rs.50 Crores plus run rate going forward in PVC and PU will be additional revenue to that?

**Suresh Kumar Poddar:** Yes, definitely PU will be additional than PVC. What has happened is why you are seeing down in percentage overall it is not down but, overall, the automotive sales has increased drastically that is why footwear is looking little downwards.

**Chintan Sheth:** I am talking about absolute Rs.50 Crores revenue because 2017-2018 quarterly and the cash flow revenue considered around nearly Rs.250 Crores – Rs.300 Crores footwear revenue was to happen which has declined because of the weak market conditions. Now I am seeing that this quarter we have reached back to Rs.60 Crores plus around in this quarter including PU. Are we seeing that this Rs.50 Crores run rate can be sustained going forward the market is now recovering back to old days?

**Suresh Kumar Poddar:** I think whatever we have done in first half we should be able to do that in second half also if that happens and which I am very much confident this quarter maybe little bit 5%, 7% less but then January, February, March will be much better because in January new models starts coming so people start buying from next year and then what happens in the last quarter because India is making more of chappals, the chappal season starts in summer time. So, by summertime they start making stocks from February, March that means October, November, December maybe little down means much more than first quarter maybe little less than second quarter but the fourth quarter will be much higher. If you see in totality, I think we expect to come to Rs.600 Crores.

**Chintan Sheth:** Okay, and the domestic OEM this quarter we have done around Rs.58 Crores based on the number you have given?

**Suresh Kumar Poddar:** Domestic OEM it was 31% and earlier was Rs.58 Crores. I do not understand what you want to say.

**Chintan Sheth:** I was telling that this quarter the sales of auto is Rs.58 Crores in domestic market earlier we used to be between Rs.20 Crores to Rs.30 Crores in this quarter what has given this bump up in the revenue in domestic billing side?

**Suresh Kumar Poddar:** It has done good is that this quarter the sales is of 30,00,000 meter and auto or domestic is Rs.58 Crores we have sold it is very good amount.

**Chintan Sheth:** Right, and what is the driver? Who are the clients we are getting this good demand?

**Suresh Kumar Poddar:** No. the clients are the same, if we talk about the first quarter and second quarter, so the second quarter better than the first quarter is much, much fair 60%, 70% more. In the first quarter we had problems in the month of May because of Corona, sale was less compared to April, April was highest, we did Rs.62 Crores – Rs.63 Crores of sales then in May it came down and then in June, July, it again improved, July, August, September these are all improving October again a little bit down but from November, December onwards it will pick up again. So, everything has its own season last two quarters of the last year was highest sales.

**Chintan Sheth:** Okay, you say that in May, June supply was not there because of Corona that pent up we have supplied in this quarter that is why the sales has gone up and it will normalize in the coming quarters?

**Suresh Kumar Poddar:** I think that there should be a minimum growth of 20%.

**Chintan Sheth:** Okay, right. I will join back in the queue. Thank you.

**Moderator:** Thank you. As there are no further questions, I would now like to hand the conference to the management for closing comments.

**Suresh Kumar Poddar:** I must thank all of you and Monarch also to arrange this conference call. I can assure all the people who are listening that Mayur will do his best to make the best of the performance and we can look forward for the good future and this year as I told you that there will be the hope for minimum 20% growth. Thank you very much for supporting all of us. All of you have supported Mayur and we will try our best to keep you satisfied. Thank you.



*Mayur Uniquoters Limited*  
*November 12, 2021*

**Moderator:** Thank you. On behalf of Mayur Uniquoters and Monarch Network Capital that concludes this conference. Thank you for joining us and you may now disconnect your lines.